

1 PAUL J. PASCUZZI, State Bar No. 148810
JASON E. RIOS, State Bar No. 190086
2 THOMAS R. PHINNEY, State Bar No. 159435
FELDERSTEIN FITZGERALD
3 WILLOUGHBY PASCUZZI & RIOS LLP
500 Capitol Mall, Suite 2250
4 Sacramento, CA 95814
Telephone: (916) 329-7400
5 Facsimile: (916) 329-7435
Email: ppascuzzi@ffwplaw.com
6 jrios@ffwplaw.com
tphinney@ffwplaw.com

7 ORI KATZ, State Bar No. 209561
8 ALAN H. MARTIN, State Bar No. 132301
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
9 A Limited Liability Partnership
Including Professional Corporations
10 Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
11 Telephone: (415) 434-9100
Facsimile: (415) 434-3947
12 Email: okatz@sheppardmullin.com
amartin@sheppardmullin.com

13 Attorneys for The Roman Catholic Archbishop of
14 San Francisco

15 UNITED STATES BANKRUPTCY COURT

16 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

17 In re

18 THE ROMAN CATHOLIC ARCHBISHOP
OF SAN FRANCISCO,

19 Debtor and
20 Debtor in Possession.

Case No. 23-30564

Chapter 11

**DEBTOR'S STATUS UPDATE
REGARDING THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS' *EX PARTE* APPLICATION
FOR ENTRY OF AN ORDER PURSUANT
TO BANKRUPTCY RULE 2004
AUTHORIZING ORAL EXAMINATION
OF THE DEBTOR; AND PRODUCTION
OF DOCUMENTS OF DEBTOR,
PARISHES, AND AFFILIATES' AND
ORDERING DEBTOR TO SUBMIT
DECLARATION**

Judge: Hon. Dennis Montali
Date: November 30, 2023
Time: 1:30 p.m.
Place: Via ZoomGov

1 The Roman Catholic Archbishop of San Francisco, the debtor and debtor in possession (the
2 “RCASF” or the “Debtor”), in the above-captioned chapter 11 case (the “Bankruptcy Case”),
3 submits this status report (the “Report”) in response to the *Ex Parte Application of the Official*
4 *Committee of Unsecured Creditors for Entry of an Order Pursuant to Bankruptcy Rule 2004*
5 *Authorizing Oral Examination of the Debtor; and Production of Documents of Debtor, Parishes,*
6 *and Affiliates; and Ordering Debtor to Submit Declaration*, filed on November 8, 2023, as ECF No.
7 292 (the “Application”); and *Debtor’s Request for Hearing and Objection to Ex Parte Application*
8 *of the Official Committee of Unsecured Creditors for Entry of an Order Pursuant to Bankruptcy*
9 *Rule 2004 Authorizing Oral Examination of the Debtor; and Production of Documents of Debtor,*
10 *Parishes, and Affiliates; and Ordering Debtor to Submit Declaration* [ECF No. 296] (the “Debtor’s
11 Objection”), and the Court’s instructions at the November 9, 2023 status conference hearing.

12 **A. The Debtor’s Request for a Narrowed, Priority List of Specific Documents and**
13 **Information**

14 As a threshold matter, the Debtor reports that the parties are making progress to consensually
15 narrow the Committee’s discovery requests to make it feasible in terms of scope and timeframe.

16 On Monday, November 13, 2023, counsel for the Debtor and Committee conferred regarding
17 the Debtor’s requests that the Committee (1) identify an initial set of document requests it wanted
18 the Debtor to prioritize; (2) narrow its requests to more reasonable time period; and (3) where
19 applicable, narrow and better define the categories and types of documents the Committee actually
20 wants, at least initially, without waiving any of its rights to seek additional information after
21 analyzing the Debtor’s initial production(s). Committee counsel agreed to identify an initial set of
22 information it would like the Debtor to produce first.

23 On Friday afternoon, November 17, 2023, the Committee’s counsel provided its list of
24 “priority” requests, which are a subset of 41 of its original 138 requests. Specifically, the Committee
25 created two lists representing the “Committee’s initial attempt to identify those requests in the 2004
26 Application (1) for which it should be relatively easy for the Debtor to access and produce the
27 documents or (2) that are high priority subject matter requests for the Committee’s due diligence
28 investigation.” The 41 requests identified as “priority” requests were unaltered in breadth or scope,

1 except eight of the requests were, for this initial stage, limited to seeking the Debtor's information
2 (and not also the Parishes' and Affiliates' responsive information, as originally propounded), and
3 one additional request only sought responsive information for the Debtor and Affiliates (and not
4 also the Parishes, as originally propounded).

5 In response, on November 20, 2023, the Debtor's counsel reiterated that the highlighted 41
6 Requests were still overbroad in time period covered and language used. Debtor and its professionals
7 still cannot discern the specific documents and particularized categories of documents the
8 Committee needs most and/or that would be readily accessible to produce in the near term per an
9 agreed timetable. Debtor's counsel, therefore, asked the Committee to annotate its list and indicate
10 the initial documents it desires from within the broad categories as well as limit the Requests to a
11 10-year look back period. The Committee declined this request to pare down the 41 requests, but
12 continues to meaningfully engage in conferences with the Debtor that remain very productive.

13 Next, on November 27, 2023, counsel for the Debtors and Committee met and conferred.
14 Committee counsel proposed that the Debtor identify the specific questions and objections it has to
15 the 41 "priority" requests to facilitate further discussion on what information the Committee actually
16 needs to begin its due diligence. The Debtor intends to provide its preliminary, written objections
17 and questions to the Committee by no later than Friday, December 1, 2023, to facilitate another
18 substantive conferral by the beginning of next week, with the hope that the requests can, at least
19 initially, be narrowed to a more manageable universe of documents and information.

20 **B. The Debtor's Initial Efforts to Address the Committee's Priority Requests**

21 In parallel to the foregoing, the Debtor's internal finance team, its financial professionals
22 and its litigation and bankruptcy counsel have begun to review and analyze the Committee's 138
23 requests. The Debtor has already identified and is preparing certain insurance policy documents
24 that it intends to produce by the end of this week and next week. The Debtor remains focused on
25 collaborating with the Committee to achieve a consensual, expeditious production of pertinent
26 documents and data to facilitate the Committee's due diligence and ultimate resolution of this case.
27 Toward that end, immediately following the Thanksgiving holiday, the Debtor's and Committee's
28

1 financial professionals and counsel conferred on the afternoon of November 27, 2023 to further
2 discuss the Committee's priority requests.

3 The primary goal of this discussion was to understand the specific accounting and financial
4 information and data the Committee seeks and the format in which it hopes to receive it. The
5 Committee's professionals presented several potential methods by which the Debtor may be able to
6 produce its accounting data based on their experience in prior cases with other accounting software
7 and posed numerous questions concerning other financial software products used by the Debtor, as
8 well as the Parishes and Affiliates, and whether and how these various systems interact. They also
9 noted examples of how certain information was maintained in other cases and inquired whether the
10 Debtor possessed the same or similar information in certain formats. The Debtor will be diligently
11 investigating the answers to these questions so that the parties can identify the best path forward for
12 producing the Debtor's accounting data in a mutually acceptable and cost-efficient format.

13 The parties have not yet had an opportunity to confer in specific on the numerous requests
14 for production relating to the Abuse Claims that are included in the Committee's list of priority
15 requests. During the November 27th conference, Committee counsel focused its demands to the
16 more discrete request for the Debtor to reproduce the documents related to the Abuse Claims that it
17 had previously produced in the state court litigation. Debtor's counsel is investigating what
18 documents were produced by the *Debtor*, as opposed to other defendants or parties, in the state court
19 litigation and the Debtor will follow up once that universe of documents is identified. The Debtor's
20 bankruptcy counsel noted during the conference that this process will require the involvement of
21 litigation counsel who are in mediations this week—and this will likely need to be discussed the
22 week of December 4—which the Committee counsel agreed was acceptable.

23 **C. The Parties Are Still Conferring Regarding a Proposed Protective Order**

24 In addition to working through the Debtor's objections to the breadth and scope of the
25 Committee's requests, and the Committee's desired production format, the Debtor cannot begin
26 producing documents prior to the entry of a stipulated protective order given that a majority of the
27 requests seek highly confidential and sensitive information. Counsel for the parties have exchanged
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1 drafts and comments of a proposed protective order and are diligently working on details of the
2 proposal so that it can be presented to the Court for approval and entry as soon as possible.

3 **CONCLUSION**

4 Based on the foregoing, the Debtor believes the parties are productively discussing the
5 Committee's discovery in a consensual and informal manner with agreed next steps and milestones
6 along the way. The Debtor respectfully requests that the Court continue to refrain from granting the
7 Committee's Application and instead instruct the parties to continue the process currently in place
8 as part of their efforts to meaningfully tailor the breadth and scope of the requests. The Debtor
9 proposes to file an additional report by December 12, 2023, in advance of the December 14, 2023
10 status conference. The Debtor believes this will lead to the most efficient and expeditious production
11 of information to the Committee. Furthermore, requiring the parties to continue to meaningfully
12 engage each other and work together will inherently limit the discovery disputes that may ultimately
13 need to be presented to the Court for resolution, reducing the burden on the Court and the costs to
14 the estate—and thereby maximizing recovery for unsecured creditors.

15 Dated: November 28, 2023

16 FELDERSTEIN FITZGERALD WILLOUGHBY
17 PASCUZZI & RIOS LLP

18 By /s/ Paul J. Pascuzzi
19 PAUL J. PASCUZZI
20 JASON E. RIOS
21 THOMAS R. PHINNEY
22 Attorneys for The Roman Catholic
23 Archbishop of San Francisco

24 Dated: November 28, 2023

25 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

26 By /s/ Ori Katz
27 ORI KATZ
28 ALAN H. MARTIN
Attorneys for The Roman Catholic
Archbishop of San Francisco